

Update on RFP for Value-based Payment Pilots

Health Reform Task Force
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PROUDLY SERVING UTAH PUBLIC EMPLOYEES

Value-based Payment Arrangements

- Healthcare Costs = Unit Price * Utilization
- Traditional Fee For Service Rewards Both
- Value-based Arrangements Realign Incentives
 - Use Lower Cost Services
 - Reduce Unnecessary Care
 - Increase Efficiencies and Effectiveness
 - Encourage Innovation and Disruption

Value-based Payment Arrangements

- Fixed Pricing for Episode of Care
 - Increase Efficiency for Providing Service and Provider Discretion
- Share Savings for Lower Than Expected Costs
 - Manage Care to Decrease Unit Cost and Utilization
- Performance Guarantee with Upside and Downside Risk
 - Manage Care to Decrease Unity Cost and Utilization
- New Treatment Models
 - Lower Cost & More Effective Treatment
- Challenge of Attributing Patients to Providers
- Member Incentives

SCR 4: Invitation to Bid

- Public Policy of State to Encourage VBP
- Provider-driven Opportunity
- Open-ended Time Frame
- Meet Clinical and Financial Requirements
- RFP Finalized in May
- Sent to Interested Parties & Provider Newsletter
- Two Formal Responses, Anticipate Others

Current Efforts Outside of SCR 4

- Fixed Fees for Services
 - Almost all but same-day hospitals services
- Onsite Clinics
 - Employer-purchased primary care
- Gainshare Arrangements
 - Share savings if costs are less than anticipate
- Bundled Services
 - Single rate for a condition
- Exploring Ways to Better
 - Improve outcomes for lower cost treatment
 - More directly incentive providers by type